

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to \$100,000

NCUA

*National Credit Union Administration
a U.S. Government Agency*

FINANCIAL HIGHLIGHTS NOVEMBER 30, 2003

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
November 30, 2003

Balance Sheet:

Due from Credit Unions — of \$3.3 million represents the remaining amount of one percent deposit adjustments due from credit unions on October 17, 2003.

Interest Receivable — net decrease of \$30.9 million due to a combination of \$17.6 million in accrued interest earned, \$2.9 million purchased due to purchase of two Treasury notes, and payments of \$51.4 million received by the NCUSIF in November.

Prepaid & Deferred Charges — is \$2.0 million for November. \$7.5 million was transferred to the operating fund to cover 62% of the agency's operating costs. November's actual operating costs were \$6.3 million.

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building.

Provision for Credit Union Losses (Reserves) — of \$77.8 million includes new reserves of \$4.4 million that were added for November.

NCUSIF Equity — remained at 1.28% for November. The equity ratio is based upon an insured share base of \$475.0 billion for June 30, 2003.

Statement of Revenue and Expense:

NCUSIF Total Operating Expense — of \$6.4 million includes \$76.1 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

Insurance Loss — is \$4.4 million for November. \$1.5 million is an increase to the National Pool Reserve and \$2.9 million is for new reserves or reserve increases for specific problem credit unions.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
NOVEMBER 30, 2003

ASSETS	NOVEMBER 2002	OCTOBER 2003	NOVEMBER 2003
Investments:			
U.S. Government Securities	\$5,553,496,396.79	\$6,035,344,599.51	\$6,074,433,148.60
Advances to Credit Unions:			
Capital Notes (NCUSIF Subordinated Notes)	0.00	0.00	0.00
Share Deposits	0.00	0.00	0.00
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Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	5,331,501.35	8,498,592.67	3,280,961.79
Loans due to NCUSIF	0.00	1,711,419.24	1,711,419.24
Recoveries from Liq. CU	18,706,306.28	13,968,297.69	12,907,793.55
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Total Other Receivables	24,037,807.63	24,178,309.60	17,900,174.58
Cash	287,558.14	5,413.35	5,558.24
Interest Receivable	65,408,042.12	70,667,813.51	39,813,852.76
Prepaid & Deferred Charges	1,131,466.52	368,978.70	1,956,801.98
Leased Assets	201,093.78	921,797.75	887,271.18
Other	29,168,167.87	26,707,005.95	26,595,261.16
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TOTAL ASSETS	\$5,673,730,532.85	\$6,158,193,918.37	\$6,161,592,068.50
	=====	=====	=====
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$6,386,554.78	\$8,268,391.83	\$7,950,279.22
Other	380.09	5,320.41	228,230.77
Check Clearing Accounts	791.43	198.71	19,569.81
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	6,387,726.30	8,273,910.95	8,198,079.80
Provision for CU Losses (Reserves)	46,081,241.74	74,286,492.74	77,788,709.26
Lease Liabilities	163,601.99	933,516.62	934,866.72
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TOTAL LIABILITIES	\$52,632,570.03	\$83,493,920.31	\$86,921,655.78 1/
EQUITY			
CU Contributed Capital	\$4,287,447,203.36	\$4,704,379,797.60	\$4,704,567,945.04
Retained Earnings	1,333,650,759.46	1,370,320,200.46	1,370,102,467.68
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TOTAL EQUITY	\$5,621,097,962.82	\$6,074,699,998.06	\$6,074,670,412.72
TOTAL LIABILITIES & EQUITY	\$5,673,730,532.85	\$6,158,193,918.37	\$6,161,592,068.50
	=====	=====	=====

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending November 30, 2003

	NOV 02	OCT 03	NOV 03
1/ Does not include unreserved contingent liabilities of \$250 thousand in asset guarantees.			
1. Investments/Total Assets	97.88%	98.01%	98.59%
2. Total Equity/Insured Shares	1.30%	1.28%	1.28%
3. Prov. for Losses/CU Capital	1.07%	1.58%	1.65%
4. Non-Earning/Total Assets	1.61%	1.56%	0.98%
5. Available Asset Ratio	1.29%	1.26%	1.02%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING NOVEMBER 30, 2003

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	FY TO DATE 2003	FY TO DATE BUDGETED 2003	FY TO DATE 2002
Investment Income	\$10,516,570.04	\$14,100,000.00	\$140,594,092.41	\$157,700,000.00	\$197,165,184.83
Other Income	42,917.24	75,000.00	726,947.15	840,000.00	1,056,287.31
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Total Income	10,559,487.28	14,175,000.00	141,321,039.56	158,540,000.00	198,221,472.14
EXPENSE					
Employee Pay	3,860,525.90	4,231,176.49	\$47,362,463.56	50,280,646.25	48,184,106.16
Employee Benefits	897,843.10	1,044,595.79	\$11,178,650.96	12,362,074.39	11,158,821.94
Employee Travel	635,679.79	660,211.54	\$5,756,970.66	7,262,326.99	6,010,197.76
Rent/Communications/Utilities	173,507.71	227,221.49	\$2,206,564.48	2,499,436.39	2,240,011.29
Administrative Costs	513,100.63	587,928.34	\$4,723,882.67	6,467,211.76	4,944,679.96
Contracted Services	200,498.29	350,523.94	\$2,515,042.55	3,855,763.41	2,475,929.20
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Subtotal NCUA Operating Exp.	6,281,155.42	7,101,657.59	73,743,574.88	82,727,459.19	75,013,746.31
AMAC Expense	2,551.43	1,250.00	29,494.89	13,750.00	5,075.79
Training Expense	34,930.23	100,000.00	1,144,048.76	1,100,000.00	1,252,917.69
Leasing Expense	35,876.67	49,400.00	517,848.14	543,400.00	572,198.69
Other Insurance Expense	2,706.31	17,500.00	144,176.01	192,500.00	192,399.36
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Total Operating Exp.	6,357,220.06	7,269,807.59	75,579,142.68	84,577,109.19	77,036,337.84
Insurance Loss	4,420,000.00	2,000,000.00	35,566,561.73	22,000,000.00	10,863,029.00
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Total Expense	10,777,220.06	9,269,807.59	111,145,704.41	106,577,109.19	87,899,366.84
NET INCOME	(\$217,732.78)	\$4,905,192.41	\$30,175,335.15	\$51,962,890.81	\$110,322,105.30
	=====	=====	=====	=====	=====
Retained Earnings, Beginning of Year			\$1,339,927,132.53		\$1,223,328,654.16
Prior Year Adjustment			0.00		0.00
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As Restated			1,339,927,132.53		1,223,328,654.16
Net Income			30,175,335.15		110,322,105.30
			-----		-----
			1,370,102,467.68		1,333,650,759.46
Dividends			0.00		0.00
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Retained Earnings, End of Year			\$1,370,102,467.68		\$1,333,650,759.46
			=====		=====

Comparative Analysis of NCUSIF Ratios for November 30, 2003

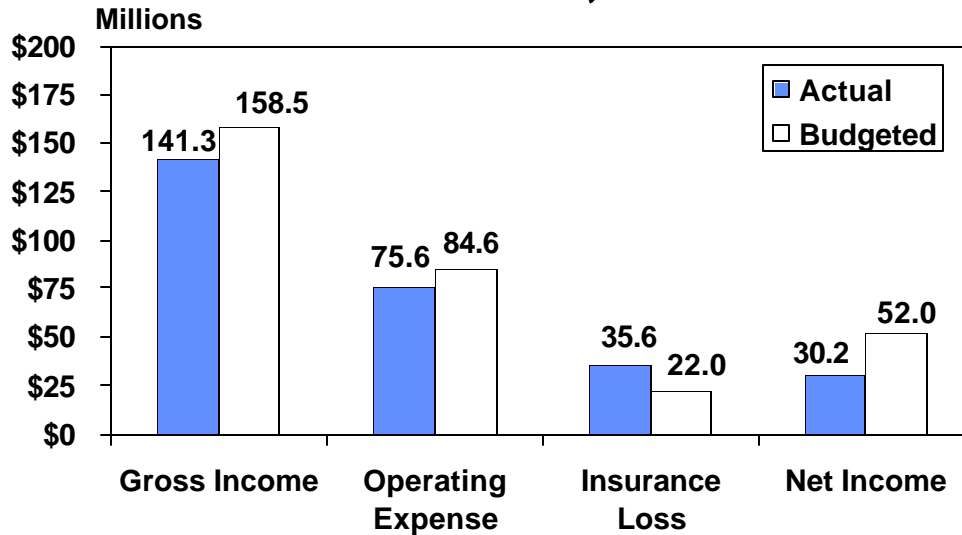
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR FYTD	CURRENT FYTD
1. Oper. Exp./Total Income	66.65%	60.20%	38.86%	53.48%
2. Ins. Loss/Total Income	65.26%	41.86%	5.48%	25.17%
3. Total Exp./Total Income	131.91%	102.06%	44.34%	78.65%
4. Net Income/Total Income	-31.91%	-2.06%	55.66%	21.35%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.01%

TABLE 3 - STATEMENT OF CASH FLOWS
November 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$169,953,086.37
Other income received	(984,472.09)
Cash paid for operating expenses	(113,009,332.68)
Net cash (paid) received for insurance losses	<u>34,476,997.32</u>
Net cash provided by operating activities	90,436,278.92
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(530,692,347.20)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>2,437,424.46</u>
Net cash provided by (used in) investing activities	(528,254,922.74)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	437,818,394.71
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	437,818,394.71
NET INCREASE (DECREASE) IN CASH	(249.11)
CASH, BEGINNING OF YEAR	5,807.35
CASH, ENDING November 30, 2003	<u><u>\$5,558.24</u></u>

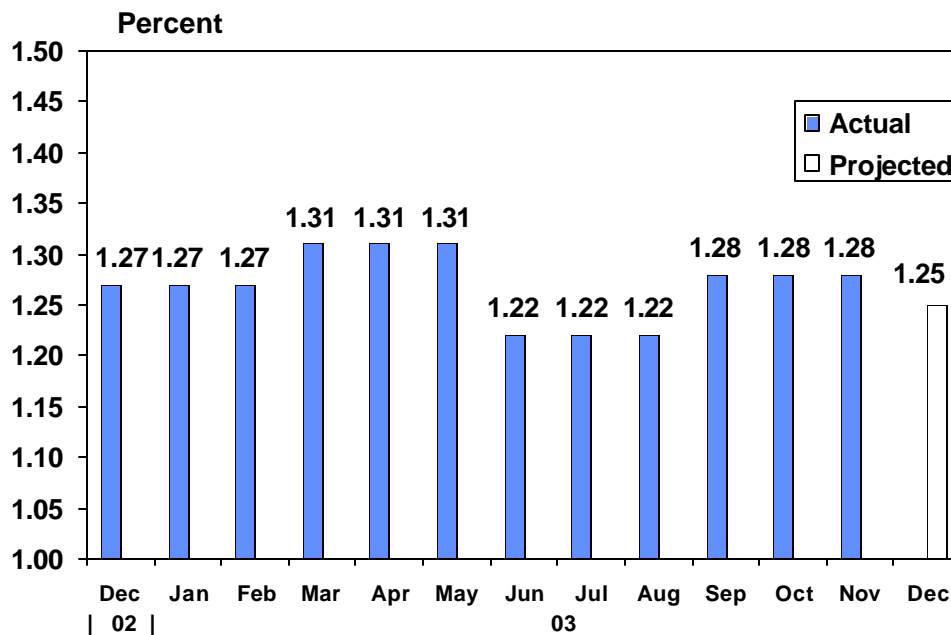
REVENUE AND EXPENSE

November 30, 2003



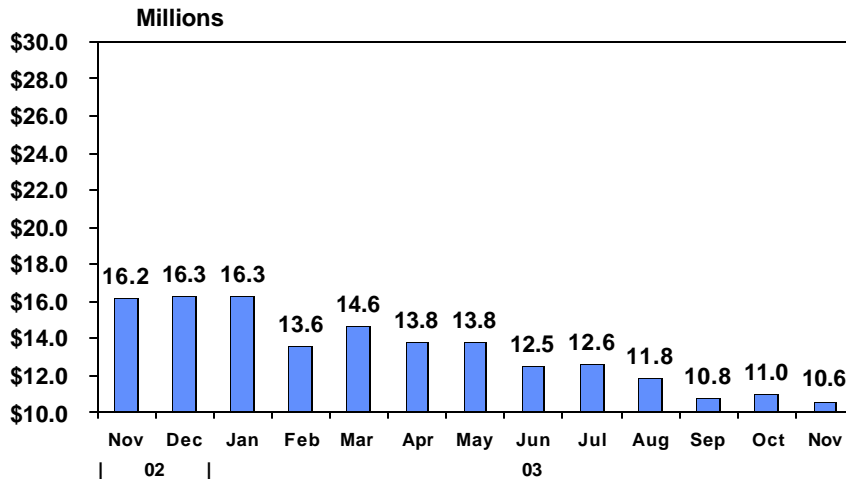
NCUSIF EQUITY RATIO

November 30, 2003



GROSS INCOME

November 02 – November 03



OPERATING EXPENSES

November 02 – November 03

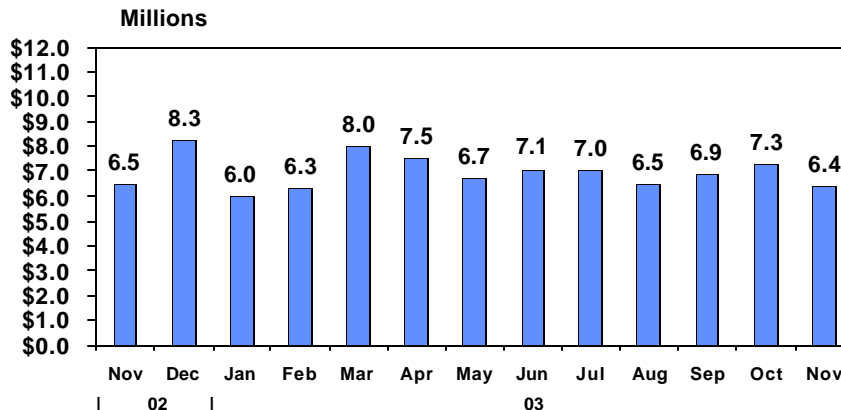


TABLE 4

INVESTMENT PORTFOLIO SUMMARY

November 30, 2003

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,156,895,000	\$1,156,895,000	\$0	100.0%	1.02%
U.S. Treasury Notes	\$4,917,538,149	\$4,938,343,750	\$20,805,601	100.4%	1.91%
TOTAL	\$6,074,433,149	\$6,095,238,750	\$20,805,601	100.3%	2.05%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY03 Projections	
Investment Yield	2.11%	2.08%	2.63%	3.00%	
Investment Income	\$10,959,603	\$10,516,570	\$140,594,092	172 Million	
Income Budgeted	\$14,100,000	\$14,100,000	\$157,700,000	172 Million	
Income/Budgeted Ratio	77.7%	74.6%	89.2%	100.00%	
Avg. Maturity in Days	372	379	350		
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
11/10/2003	T-Note	\$200,000,000	10/31/2005	2.01%	
11/10/2003	T-Note	\$100,000,000	11/15/2005	2.03%	
TOTAL		\$300,000,000			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	1,656.9				
3 months - 1 year	1,900.0				
1 year - 2 years	2,200.0				
2 years - 3 years	200.0				
3 years - 4 years	0.0				
TOTAL	5,956.9				

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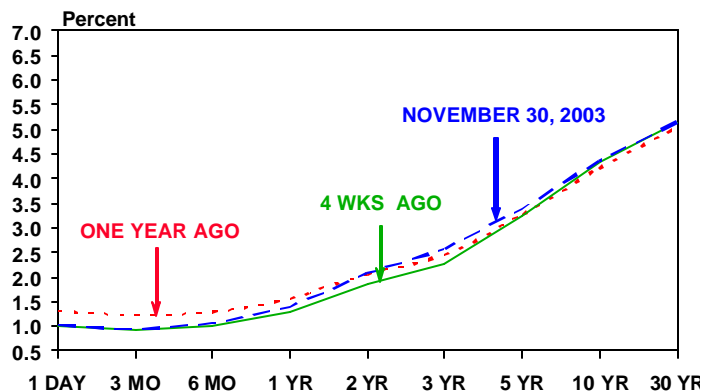
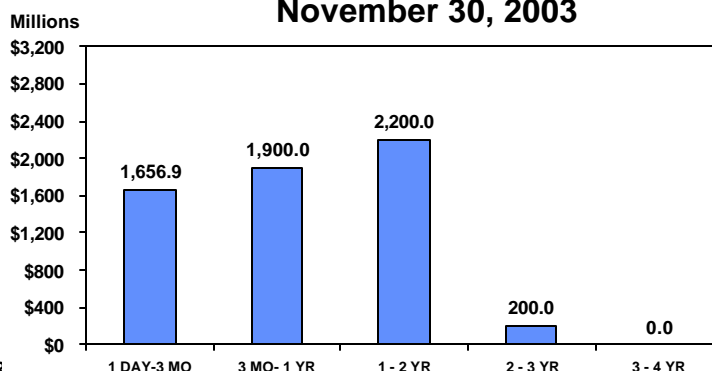
TREASURY YIELD CURVE**MATURITY SCHEDULE****November 30, 2003**

TABLE 5

INTEREST RATE COMPARISONS**November 30, 2003**

INTEREST RATE COMPARISONS								
	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03
NCUSIF Yield	2.88%	2.76%	2.58%	2.52%	2.35%	2.21%	2.11%	2.08%
90 day T-Bill	1.11%	1.10%	0.89%	0.94%	0.96%	0.91%	0.95%	0.93%
1 year T-Bill	1.24%	1.17%	1.06%	1.33%	1.38%	1.15%	1.30%	1.38%
2 year T-Note	1.47%	1.35%	1.29%	1.92%	2.04%	1.47%	1.85%	2.07%
30 year T-Note	4.75%	4.39%	4.55%	5.46%	5.30%	4.88%	5.15%	5.14%

INTEREST RATE COMPARISONS NOVEMBER 30, 2003

